

MINUTES

MONTANA SENATE 62nd LEGISLATURE - REGULAR SESSION

COMMITTEE ON TAXATION

Call to Order: Chair Bruce Tutvedt, on January 18, 2011 at 8:00 AM, in Room 405 Capitol

ROLL CALL

Members Present:

Sen. Bruce Tutvedt, Chair (R)
Sen. Bob Lake, Vice Chair (R)
Sen. Ron Arthun (R)
Sen. Gary Branae (D)
Sen. Ron Erickson (D)
Sen. Kim Gillan (D)
Sen. Christine Kaufmann (D)
Sen. Kendall Van Dyk (D)
Sen. Chas Vincent (R)
Sen. Art Wittich (R)

Members Excused: Sen. Jeff Essmann (R)
Sen. Jim Peterson (R)

Members Absent: None

Staff Present: Lee Heiman, Legislative Branch
Debra Polhemus, Committee Secretary

Audio Committees: These minutes are in outline form only. They provide a list of participants and a record of official action taken by the committee. The link to the audio recording of the meeting is available on the Legislative Branch website.

Committee Business Summary:

Hearing & Date Posted: SB 11, 12/27/2010; SB 70, 12/27/2010; SB 77, 12/27/2010; SB 98, 1/3/2011

Executive Action: SB 11 Do Pass ~ SB 75 (Action not completed)

HEARING ON SB 98

Opening Statement by Sponsor:

00:00:45 Sen. John Brenden (R), SD 18, opened the hearing on SB 98, Exempt nonproductive land within agricultural land parcel from taxation.

Proponents' Testimony:

00:05:36 Nancy Schlepp, Montana Taxpayers Association (MTA)

Opponents' Testimony:

00:07:07 C. A. Daw, Chief Legal Counsel, Department of Revenue (DOR)

00:10:55 Rocky Haralson, Regional Manager, DOR

Informational Testimony:

00:12:22 Dallas Reese, Management Analyst, Property Assessment Division, DOR

Questions from Committee Members and Responses:

00:12:42 Sen. Wittich
00:13:30 Rocky Haralson, DOR
00:14:36 Sen. Arthun
00:15:29 Sen. Brenden
00:17:40 Sen. Gillan
00:17:56 C. A. Daw, DOR
00:19:30 Sen. Gillan
00:19:49 C. A. Daw
00:21:36 Sen. Erickson
00:22:12 Dallas Reese
00:24:56 Sen. Erickson
00:25:10 Dallas Reese
00:26:03 Sen. Arthun
00:26:31 Dallas Reese
00:27:17 Sen. Wittich
00:28:01 Dallas Reese
00:32:10 Sen. Wittich
00:32:50 Dallas Reese
00:34:15 Chairman Tutvedt
00:34:49 Dallas Reese
00:40:04 Chairman Tutvedt
00:40:18 Dallas Reese

Closing by Sponsor:

00:40:36 Sen. John Brenden

HEARING ON SB 70

Opening Statement by Sponsor:

00:46:52 Sen. David Wanzenried (D), SD 49, opened the hearing on SB 70, Eliminate net operating loss carryback provisions.

[EXHIBIT\(tas13a01\)](#)

Proponents' Testimony:

00:52:44 David Ewer, Director, Budget and Program Planning Office, Office of the Governor

00:55:25 Dan Bucks, Director, Department of Revenue (DOR)

[EXHIBIT\(tas13a02\)](#)

[EXHIBIT\(tas13a03\)](#)

[EXHIBIT\(tas13a04\)](#)

[EXHIBIT\(tas13a05\)](#)

01:04:54 Kristie Smith, representing Montana Budget and Policy Center

01:07:28 Molly Severtson, representing The Policy Institute

01:08:28 Erik Burke, Montana Education Association/Montana Federation of Teachers (MEA/MFT)

01:09:47 Anita Roessmann, Staff Attorney, Disability Rights Montana

Opponents' Testimony:

01:12:33 Walt Kero, CPA, Missoula, representing the Montana Society of CPA's (MSCPA)

01:17:18 Nancy Schlepp, representing Montana Taxpayers Association (MTA)

01:19:43 Jon Bennion, representing Montana Chamber of Commerce

01:20:48 Brad Griffin, representing Montana Retail Association

01:21:11 Bruce Spencer, representing Montana Automobile Dealers Association

01:22:52 Bob DePratu, letter read by Bruce Spencer

[EXHIBIT\(tas13a06\)](#)

01:23:56 Holly Franz, representing MSCPA

[EXHIBIT\(tas13a07\)](#)

01:28:12 Barry "Spook" Stang, Executive Vice President, Motor Carriers of Montana

01:29:18 Tammy Johnson, speaking on behalf of Ronda Wiggers, representing the Great Falls and Helena Chambers of Commerce

01:30:04 Nicole Rolf, representing Montana Farm Bureau Federation

01:31:38 Steve Turkiewicz, President and CEO, Montana Bankers Association

Informational Testimony:

01:32:52 Brian Staley, Corporation Tax Unit Manager, DOR

Questions from Committee Members and Responses:

01:33:17 Sen. Wittich

01:33:51 Holly Franz

01:34:10 Walt Kero

01:36:21 Sen. Wittich
 01:37:11 David Ewer
 01:37:58 Sen. Wittich
 01:38:34 David Ewer
 01:39:46 Sen. Kaufmann
 01:40:15 Dan Bucks, DOR
 01:43:34 Sen. Kaufmann
 01:43:53 Dan Bucks
 01:45:58 Sen. Van Dyk
 01:47:01 Dan Bucks
 01:47:46 Sen. Erickson
 01:49:11 Dan Bucks
 01:50:06 Sen. Wittich
 01:51:47 Walt Kero
 01:53:08 Sen. Vincent
 01:53:28 Marla Larson, Tax Policy Research, DOR (without objection from the committee)
 01:56:08 Sen. Vincent
 01:56:26 Marla Larson, DOR
 01:57:21 Sen. Gillan
 01:57:35 Dan Bucks
 01:57:55 Walt Kero
 01:58:12 Chairman Tutvedt
 01:58:45 Marla Larson
 01:59:42 Chairman Tutvedt
 02:00:17 Marla Larson
 02:02:10 Sen. Erickson
 02:03:48 Terry Johnson, Legislative Fiscal Division (LFD) (without objection from the committee)
 02:04:31 Dan Bucks
 02:06:14 Sen. Erickson
 02:06:22 Dan Bucks

Closing by Sponsor:

02:07:22 Sen. Wanzonried

HEARING ON SB 77

Opening Statement by Sponsor:

02:11:23 Sen. Gary Branae (D), SD 27, opened the hearing on SB 77, Equalize deduction for fed taxes between trusts and individual income taxpayers.

Proponents' Testimony:

02:15:41 Sarah Wilhelm, representing Montana Budget and Policy Center

EXHIBIT(tas13a08)

02:16:11 Molly Severtson, representing The Policy Institute

02:17:06 Erik Burke, representing MEA/MFT

Opponents' Testimony:

02:17:46 Walt Kero, Missoula, CPA, representing MSCPA

Informational Testimony: None

Questions from Committee Members and Responses:

02:21:46 Sen. Wittich
02:22:50 Brian Olsen, DOR
02:23:23 Sen. Wittich
02:24:04 Walt Kero
02:25:20 Sen. Wittich
02:25:32 Shona McHugh, DOR
02:27:05 Sen. Wittich
02:27:19 Shona McHugh
02:27:35 Brian Olsen
02:28:06 Sen. Wittich
02:28:32 Sen. Lake
02:29:44 Sen. Erickson
02:30:57 Sen. Branae
02:32:27 Sen. Gillan
02:33:01 Shona McHugh
02:33:12 Sen. Wittich
02:33:40 Walt Kero
02:36:18 Sen. Gillan
02:37:22 Walt Kero
02:39:08 Sen. Gillan

Closing by Sponsor:

02:40:24 Sen. Branae

HEARING ON SB 11

Opening Statement by Sponsor:

02:42:06 Sen. Ron Erickson (D), SD 47, opened the hearing on SB 11, Reduce withholding tax rate for lottery winnings.

Proponents' Testimony: None

Opponents' Testimony: None

Informational Testimony: None

Questions from Committee Members and Responses:

02:43:55 Sen. Arthun
02:44:00 Sen. Erickson
02:44:06 Sen. Lake
02:44:41 Chairman Tutvedt
02:44:52 Sen. Erickson

Closing by Sponsor:

02:45:06 Sen. Erickson
02:45:23 Chairman Tutvedt

EXECUTIVE ACTION ON SB 75

02:46:15 **Motion:** Sen. Erickson moved that **SB 75 DO PASS.**

Discussion:

02:46:34 Sen. Erickson
02:46:59 Sen. Lake
02:47:46 Chairman Tutvedt
02:48:23 Sen. Arthun
02:48:58 Chair Tutvedt

02:49:10 Sen. Erickson withdrew the motion.

(Note: Absent from the committee at this time are Senators Essmann, Gillan, Peterson, and Vincent)

EXECUTIVE ACTION ON SB 11

02:49:22 **Motion:** Sen. Erickson moved that **SB 11 DO PASS.**

Discussion:

02:49:29 Sen. Lake

02:49:47 **Vote:** Motion carried unanimously by voice vote. Written proxies were not collected, as all members in attendance affirmed the vote for fellow committee members.

ADJOURNMENT

Adjournment:
10:50 a.m.

Debra Polhemus, Secretary

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Additional Documents:

EXHIBIT([tas13aad.pdf](#))